

Message Text

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ACTION EA-14

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-07 H-03 INR-10 L-03

NSAE-00 NSC-10 PA-04 RSC-01 PRS-01 SPC-03 SS-20

USIA-15 ACDA-19 IO-14 AID-20 COME-00 EB-11 FRB-02

TRSE-00 XMB-07 OPIC-12 CIEP-02 LAB-06 SIL-01 OMB-01

AGR-20 DRC-01 /208 W

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R 020830Z NOV 73

FM AMEMBASSY BANGKOK

TO SECSTATE WASHDC 7950

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E.O. 11652: N/A

SUBJ: DEVELOPMENT OPPORTUNITIES AND NEW POLITICAL
PERSPECTIVES

REF: BANGKOK 16271

1. VARIOUS RECENT MESSAGES HAVE ATTEMPTED TO PORTRAY WHAT WE EXPECT IN POLITICAL DEVELOPMENTS. THIS MESSAGE FOCUSES ON THE ECONOMIC DEVELOPMENT ISSUES THE SANYA GOVERNMENT AND ITS SUCCESSOR WILL NEED TO HANDLE, AND DISCUSSES SOME IMPLICATIONS FOR THE U.S. ECONOMIC ASSISTANCE PROGRAM.

2. A HEIGHTENED AWARENESS OF POSSIBILITIES FOR AMELIORATION OF SOCIAL CONDITIONS AND IMPROVEMENT IN THE STANDARD OF LIVING WILL LIKELY NOW EXIST AND BE MORE OF A SPUR TO THAI ECONOMIC AND POLITICAL DEVELOPMENT. BENEVOLENT AND PROGRESSIVE POLICIES WHICH PRODUCE IMPROVED SOCIAL SERVICES AND JOBS AND ASSURE AN ADEQUATE FOOD SUPPLY WILL BE ESSENTIAL FOR ANY GOVERNMENT. WHETHER THERE WILL BE SUFFICIENT SOCIAL DISCIPLINE ON THE PART OF THOSE WHO RELATIVELY

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"HAVE" TO FOREGO CURRENT BENEFITS FOR FUTURE GROWTH OF

THE SOCIETY AS A WHOLE IS A KEY QUESTION FOR OUR ANALYSTS
TO WATCH IN THE MONTHS AND YEARS TO COME.

3. PART OF THE "SUCCESS" OF THE CURRENT GOVERNMENT AND
CERTAINLY A MAJOR TEST FOR THE GOVERNMENT TO BE INSTALLED
LATER UNDER A REVISED CONSTITUTION AND WITHIN A
PARLIAMENTARY-RESPONSIBLE SYSTEM WILL BE ITS CAPACITY TO
DEAL AFFIRMATIVELY, SURE-FOOTEDLY, AND IMAGINATIVELY
WITH THAILAND'S CORE SOCIO-ECONOMIC PROBLEMS. IT IS
HERE THAT WE AND OTHER DONORS SHOULD BE PREPARED TO HELP. THE
ELABORATION OF A NEW POLITICAL STRUCTURE AND PROCESS
WILL ONLY HAVE ULTIMATE MEANING IF IT PERMITS GOVERNMENT
(EXECUTIVE AND LEGISLATIVE) TO ADDRESS THESE ISSUES IN
WAYS THAT ENGENDER PUBLIC SUPPORT, INCLUDING OPPORTUNI-
TIES FOR EXPRESSION OF PUBLIC OPINION.

4. THE CORE PROBLEMS FACSKG GOVERNMENT REST RN THE
AREAS OF EQUITY AND RESOURCE MANAGEMENT. THAILAND HAS
IN PLACE A STRONG INFRASTRUCTUREJV HUMAN AND PHYSICAL:
FAIRLY ABUNDANT FINANCIAL AND TECHNICLA RESOURCES ARE
IN HAND OR CAN BE TAPPED, INCLUDING ADDITIONAL FREE
WORLD BILATERAL AND INTERNATIONAL INSTITUTIONAL GRANTS
AND LOANS. AS A MATTER OF HISTORY AND ALSO IN THE
CONTEXT OF THE EVALUATION OF U.S. AID POLICY TOWARD
THAILAND THE VERY SIGNIFICANT CONTRIBUTIONS AID HAS
MADE TO THE PROVISION OF THIS INFRASTRUCTURE SHOULD BE
NOTED. THIS OBSERVATION ATTACHES WITH PARTICULAR
STRENGTHS TO THE CREATION OF THE ROAD SYSTEM, THE
HEALTH SERVICES, THE PROVISION OF INTERMEDIATE AND
VOCATIONAL EDUCATION, AND THE CREATION OF A BASE FOR
AGRICULTURAL RESEARCH AND EXTENSION ACTIVITY. THESE
ELEMENTS NEED ENERGIZING. THE THAI CAN DO THAT, IF
THEY WILL, AND IF THAT OCCURS, OPPORTUNITIES AND NEEDS
FOR INCREASED CAPITAL AND TECHNICAL FLOWS FROM FW
SOURCES WILL BE CREATED.

5. THE NEW THAI GOVERNMENT CAN COMMENCE ITS PROGRAMS
ON AN "UP BEAT" IF IT SEIZES THE OPPORTUNITIES AT HAND,
MARSHALLS THE RESOURCES ALREADY COMMITTED TO THAILAND
FROM ABROAD, AND BEGINS TO TAP THE RESERVOIR OF
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DOMESTIC CAPABILITIES RESIDENT IN THE GOVERNMENT AND
IN THE COMMUNITY AT LARGE WHICH HAVE NOT HITHERTO BEEN
"CHARGED" WITH THE ACHIEVEMENT OF PROGRAM RESULTS TO
ANY DEGREE COMMENSURATE WITH THEIR CAPACITIES.
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ACTION EA-14

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-07 H-03 INR-10 L-03

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6. AS THEV MISSION HERE AND WASHINGTON POLICY MAKERS AND PROGRAMMERS LOOK AT AMERICA'S RELATIONS WITH THAILAND IN THE MID-RANGE, IT WILL BE USEFUL TO KEEP IN MIND THE FACT THAT, PARTLY THROUGH STRENUOUS U.S. EFFORTS, THERE IS NOW IN PLACE A FAIRLY EFFECTIVE ARRAY OF INTERNATIONAL AGENCIES INTERESTED IN ASSISTING THAI DEVELOPMENT ALONG WITH SUBSTANTIAL FLOWS OF CAPITAL AND TECHNICAL ASSISTANCE OFFERED BY OTHER DONORS, INCLUDING SIGNIFICANTLY JAPAN. ADDITIONALLY, OPPORTUNITIES FOR FREE WORLD PRIVATE INVESTMENT IN THAILAND HAVE NOT BEE AGGRESSIVELY ENCOURAGED OR EXPLOITED AND SUCH FLOWS COULD WELL EQUAL ACTIVITY IN THE PUBLIC SECTOR IN A FEW YEARS' TIME. (NOTE NEEDS TO BE TAKEN OF CONTINUING THAI VULNER- ABILITIES: RICE PRICE FLUCTUATIONS, POOR HARVESTS, UNSTEMMED INFLATION, AND PERENNIALY, THE REAL THREAT OF A MAJOR UPSURGE IN INSURGENCY IN THE NORTH AND NORTHEAST AND UNCERTAINTY REGARDING THE SECURITY SITUATION IN LAOS AND CAMBODIA. ADDITIONALLY, MOST THAI ARE STILL EXCEEDINGLY POOR BY ANY WORLD STANDARDS -- AND THE NUMBER OF POOR IN THE SOCIETY IN GROWING, THUS INTENSIFYING THE CRITICAL NEED FOR NEW RTG POLICIES AND PROGRAMS, AND FOR CONTINUED ASSISTANCE FROM FREE WORLD SOURCES.)

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7. AS FOR THE DESIGN OF FUTURE U.S. ASSISTANCE TO THAI DEVELOPMENT, THE THEMES EMBEDDED IN BOTH THE SENATE AND HOUSE VERSIONS OF THE FOREIGN ASSISTANCE ACT CORRESPOND REMARKABLY WITH OUR PERCEPTIONS OF THE SITUATION IN THAILAND TODAY. THEY ARE FOR DIVERSIFIED GROWTH WITH EQUITY. U.S. ASSISTANCE WHICH HAS TRADITIONALLY RELATED TO A VERY WIDE SPECTRUM OF GOALS AND OPPORTUNITIES CAN USEFULLY BE AIMED QUITE DIRECTLY AT A FEW KEY DEVELOPMENT PROBLEMS. IN CONCERT WITH OTHER DONORS WE SHOULD NOW PREPARE TO MOLD OUR PORTFOLIO TO HIT THE NEEDS FOR FOOD PRODUCTION INCREASES, XJOB CREATION, DOMESTIC RESOURCE MOBILIZATION, AND FURTHER SUBSTANTIAL REDUCTIONS IN POPULATION GROWTH. WITHIN PROGRAMS CONSTRUCTED TO SUPPORT THAI EFFORTS IN THESE AREAS IT SHOULD BE WHOLLY POSSIBLE FOR SOME PART OF OUR ASSISTANCE, IN SOME CASES A SUBSTANTIAL PART, TO ADDRESS PROBLEMS OF NARCOTICS INTERDICTION AND INTERRUPTION OF PRODUCTION OF NARCOTICS SUBSTANCES. WE CAN ALSO CONTINUE TO PROGRAM OUR ASSISTANCE TO ASSIST IN RTG EFFORTS TO UNDERCUT THE BASES OF DISSIDENCE, PARTICULARLY IN BORDER AREAS, THROUGH THE OUTREACH OF GOVERNMENT SERVICES AND DEVELOPMENT ACTIVITIES.

8. IMPLICATIONS OF THESE POSTULATIONS, INCLUDING A RECOGNITION OF THE MULTIPLE RESOURCES AVAILABLE TO THAILAND FOR ASSISTANCE IN ITS DEVELOPMENT, ARE AT LEAST THAT WE SHOULD CONTEMPLATE IN THE NEXT BUDGET YEAR OR TWO FAIRLY SUBSTANTIAL SHIFTS IN THE FOCUS OF OUR ASSISTANCE, SPECIAL ATTENTION BEING GIVEN TO NARCOTICS TRAFFICKING AND POPULATION GROWTH, ALONG WITH NARROWER WELL-AIMED "TRIGGERING" EFFORTS IN RURAL AREA DEVELOPMENT. CONTINUED SUPPORT FOR PUBLIC SAFETY PROGRAMS IS ALSO DESIRABLE IN SOME FIELDS. WE EXPECT TO ADVISE WASHINGTON OF THE MAIN THEMES OF THE AID PROGRAM FOR FY'75 IN DECEMBER.

9. THE MISSION HERE WILL NEED TO ESTABLISH WITH THE KEY THAIS A NEW OPTIC FOR VIEWING THE QUESTION OF U.S. AID MIX AND LEVELS, TAKING INTO ACCOUNT SOME OF THE STRENGTHS (AND SOFT SPOTS) NOTED IN THIS MESSAGE. IF WE EVIDENCE STEADFAST INTEREST IN CONTINUING TO WORK WITH THE THAIS ON A FEW KEY ISSUES AND IN A FEW KEY UNCLASSIFIED

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PROGRAMS WE MAY, IN FACT, DERIVE GREATER GENERAL POLITICAL BENEFIT FROM OUR ASSISTANCE THAN WE NOW DO FROM OUR SCATTERED EFFORT WHICH IS, UNFORTUNATELY, IN SOME AREAS NUGATORY IN TERMS OF POTENTIAL RESULTS EXPRESSED IN

TERMS OF THE FORMULA OF "GROWTH WITH EQUITY."

10. GETTING IN STEP WITH THE NEW SPIRIT IN THE COUNTRY
DEMANDS NEW ATTITUDES AND APPROACHES ON OUR PART, ONES
WHICH CAN BOTH REFLECT APPROPRIATELY OUR U.S. NATIONAL
INTERESTS IN THAILAND AND THAILAND'S NEW STRUGGLE TO
REDEFINE ITS NATIONAL GOALS AND TO STAND MORE FULLY ON
ITS OWN FEET, ECONOMICALLY AND INTERNATIONALLY. THE
AID MISSION HERE IS ALREADY EMBARKED ON PARALLEL
EFFORTS TO RESHAPE THE AID PROGRAM/PORTFOLIO; AND TO
ENTER UPON AN INTERNAL WEIGHT REDUCTION PROGRAM OF
ITS OWN IN LINE WITH THE CLEAR EVIDENCE OF "COSTS" OF
AID TENDING TO OUTDISTANCE "BENEFITS."
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